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ARIZONA CORPORATION COMMISSION

RECEIVED

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January 28, 2008

JAN 28 2008

ARIZONA CORPORATION COMMISSION
SECRETARY

CERTIFIED MAIL

Arizona Corporation Commission
DOCKETED

JAN 28 2008

Mr. Philip Albins
Kings Ranch Unit 2 Treatment Plant
PO Box 109
Black Canyon City, AZ 85324

DOCKETED BY	nr
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RE: KINGS RANCH UNIT 2 TREATMENT PLANT APPLICATION FOR AUTHORITY TO SELL ITS ASSETS AND CANCEL ITS CERTIFICATE OF CONVENIENCE AND NECESSITY, DOCKET NOS. SW-02573A-07-0650 AND SW-20492A-06-0766

Dear Mr. Albins,

A January 17, 2008 compliance status letter (attached) the Arizona Corporation Commission staff received from the Arizona Department of Environmental Quality indicates that under Arizona Pollutant Discharge Elimination System Permit number 36400, Kings Ranch Unit 2 Treatment Plant is not in compliance. The letter identifies 29 items that are out of compliance. Please provide a written response to the following questions.

1. Are you aware of the non-compliant status of this facility? If so, when did you become aware?
2. Have steps been taken or are steps being taken to bring this facility into compliance? If so, please identify what has been done. If not, please explain why steps have not been taken to bring this facility into compliance.
3. Do you know whether the acquiring entity, Kings Ranch Unit 2 Domestic Water Improvement District, is aware that this facility is in noncompliance with ADEQ?

Please provide responses to the above by February 4, 2008. Issues related to noncompliance may result in further delay in processing this application.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0827.

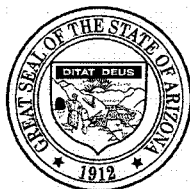
Sincerely,

A handwritten signature in black ink, appearing to read 'Robert G. Gray', written in a cursive style.

Robert G. Gray
Executive Consultant III

RGG:red

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Kenya Collins



Janet Napolitano
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

1110 West Washington Street • Phoenix, Arizona 85007
(602) 771-2300 • www.adeq.state.az.us



Stephen A. Owens
Director

January 17, 2008

Arizona Corporation Commission
Mr. Marlin Scott, Utilities Engineer
1200 W. Washington
Phoenix, Arizona 85007

RE: Compliance Status for Kings Ranch- Unit -II WWTP, Inventory number 100354.
permit number: 36400.

Dear Mr. Scott,

Your request for evaluation of compliance status for the above facility is completed. Our records indicate that Kings Ranch- Unit II WWTP has Arizona Pollutant Discharge Elimination System (AZPDES) Permit number 36400 issued on 4/17/2006.

The AZPDES Permit reporting requirements and monitoring results which have been submitted indicate the facility **is not in compliance** based on the current information that is available to ADEQ. No enforcement actions are pending at this time. The following information details the reason for non-compliance:

1. Concentration average exceedance for total residual chlorine (MAX), on 6/2006.
2. Load max and average exceedances for nitrate-nitrite on 6/2006.
3. Concentration minimum exceedances for 5-day BOD and suspended solids (% removal).
4. Load max and average exceedances for nitrate-nitrite on 8/2006.
5. Load average exceedances for suspended solids on 8/2006.
6. Load max and average exceedances for nitrate-nitrite on 9/2006.
7. Load average exceedances for suspended solids on 9/2006.
8. Load max and average exceedances for nitrate-nitrite on 10/2006.
9. Load max and average exceedances for nitrate-nitrite on 11/2006.
10. Load average exceedances for suspended solids on 11/2006.
11. Load max and average exceedances for nitrate-nitrite on 12/2006.
12. Load max and average exceedances for nitrate-nitrite on 1/2007.
13. Load max and average exceedances for nitrate-nitrite on 2/2007.
14. Load max and average exceedances for nitrate-nitrite on 3/2007.
15. Concentration average exceedance for total residual chlorine (MAX) on 3/2007.
16. Load max and average exceedances for nitrate-nitrite on 4/2007.

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ
86004
(602) 771-2300

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ
85701
(602) 226-2777

17. Missing result for load maximum exceedance for residual chlorine max, 6/2007.
18. Load max and average exceedances for nitrate-nitrite on 6/2007.
19. Load max and average exceedances for nitrate-nitrite on 5/2007.
20. Missing result for load maximum exceedance for residual chlorine max, 6/2007.
21. Load max and average exceedances for nitrate-nitrite on 6/2007.
22. Load max and average exceedances for nitrate-nitrite on 8/2007.
23. Load max and average exceedances for nitrate-nitrite on 8/2007.
24. Concentration average exceedance for total residual chlorine (MAX) on 9/2007.
25. Load max and average exceedances for nitrate-nitrite on 9/2007.
26. No report has been received for semi- annual , twice yearly for the second half of year 2006.
27. Load max and average exceedances for nitrate-nitrite on 11/2007.
28. Concentration average exceedance for total residual chlorine (MAX) on 12/2007.
29. Load max and average exceedances for nitrate-nitrite on 12/2007.

It should be understood that the compliance status of a facility may change from time to time based upon monitoring results or a facility inspection. Therefore this is based on the most current information available.

Sincerely,

Fred Vakili, EHS- II
Water Quality Data Unit
Water Quality Compliance Section
FAV@AZDEQ.GOV